

Cherie Manderschied
Stampateers, Inc.

July 10, 2006

Federal Trade Commission/Office of the Secretary, Room H-135 (Annex W)
Re: Business Opportunity Rule, R511993
600 Pennsylvania Avenue, NW
Washington, DC 20580

RE: Business Opportunity Rule, R511993

Dear Sir or Madam:

As a Stampin' Up! demonstrator who has developed my business as a result of the opportunity made available to me by Stampin' Up! I am concerned about the proposed Business Opportunity Rule R511993. The proposed rule, in its present form, contains some provisions that will make it very difficult for me to continue doing business as a Stampin' Up! demonstrator. Among the provisions I view as problematic are the seven-day waiting period, the disclosure of litigation information, and the disclosure of references located nearest to the prospective recruit. As a watchdog for the public the FTC has the responsibility to protect them from deceptive practices, but in my view these provisions provide minimal benefit while negatively affecting my business.

When I became a Stampin' Up! demonstrator 13 years ago I had a full time teaching position and a love of stamping. My goal was to hold a few workshops on evenings and weekends and possibly make enough money to pay for any stamps I purchased. Because my investment was only a couple hundred dollars and there were few hoops to jump through, signing up was an easy decision. In just a few years I was making enough as a Stampin' Up! demonstrator to quit my teaching job and spend more time developing my business. During the past decade my business has continued to grow and prosper. My \$200 dollar investment has repaid me many times over, allowing me to do something I love, while at the same time creating many long-lasting friendships. My fear is with the rule R511993 proposal I may not have been offered the opportunity to become a Stampin' Up! demonstrator.

As mentioned earlier, one of the provisions of the proposed rule I have a problem with is the seven-day waiting period before any contract or payment can be signed or received. Because the cost of becoming a Stampin' Up! demonstrator is reasonable (\$199) and because the company offers to repurchase all products, including the sales kit, for up to a year at 90% of their original cost, there is minimal risk to the public. This makes any additional delays, and recordkeeping required by the provision counterproductive. In addition, the seven-day waiting period also gives the impression there may be something unsavory about the transaction. Why can someone spend \$30,000 on a car, or \$3,000 on a TV without a waiting period, but will have to wait to spend \$199 to start a legitimate business.

The second provision I take issue with is the disclosure of all legal actions for the past 10 years regardless of relevancy, outcome, or merit. With the litigious society we live in today, a requirement to disclose legal action only makes sense if I am found guilty or the case is ongoing. As a simple business owner I hope I never have any legal actions against me, but it is a possibility. If it happens, I hope I would be penalized by having to make disclosure only if I was guilty.

The final provision I am concerned about is the requirement to disclose name, city, state, and telephone number for at least 10 prior purchasers nearest to the prospective purchaser's location. Besides obvious privacy and competitive business issues, the identification of the prior purchasers is virtually impossible. Because there are no designated geographic territories, familiarity with other demonstrators in a specific area is problematic. Even if Stampin' Up! could provide me the information in a timely fashion, the value of the information to the prospective purchaser is questionable. Unless, of course, they are using the information to market products or services that compete with Stampin' Up!.

I'm sure the FTC feels it is looking out for the public by proposing the new rules but I believe there are better alternatives. Anything you can do to make the rules less intrusive for the small independent business person would be appreciated.

Thank you for your consideration.

Sincerely,

Cherie Manderschied